

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	:	Civil Action No. C-1-01-116 (Judge Beckwith)
Plaintiff	:	
v.	:	
STEPHEN G. DONAHUE, and DONAHUE SECURITIES, INC.,	:	<u>SEVENTH MOTION TO APPROVE PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES TO RECEIVER</u>
Defendants	:	

Comes now Michael R. Barrett as receiver for Stephen G. Donahue and formerly for S.G. Donahue & Company, Inc. pursuant to order entered March 7, 2001 (the "Receiver") and moves the Court for entry of an order approving payment of fees for legal services performed by the Receiver during the period from June 3, 2003 through December 4, 2003 in the amount of \$4,840.00 and for reimbursement of expenses incurred during the same period in the amount of \$18.50 for a total of \$4,858.60 and that the same be paid out of funds now in the hands of the Receiver pursuant to the proposed order submitted herewith on the grounds set forth in the memorandum attached hereto.

Respectfully submitted,

/s/ Richard Boydston
Richard Boydston (22360)
Attorney for Michael R. Barrett, Receiver
Ulmer & Berne LLP
600 Vine Street, Suite 2800
Cincinnati, Ohio 45202-2409
(513) 762-6202
(513) 762-6245 (fax)
rboydston@ulmer.com

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Seventh Motion to Approve Payment of Fees and Reimbursement of Expenses to Receiver and the proposed order granting said motion were served electronically with the Clerk of the Court using the CM/ECF system and, also, by ordinary United States mail, first class postage prepaid, upon each of the persons listed below on December 9, 2003.

/s/ Richard Boydston

Anne C. McKinley, Esq.,
U.S. Securities and Exchange Commission
Midwest Regional Office
175 West Jackson Boulevard, Suite 900
Chicago, IL 60604

Robert A. Goering, Esq.
Attorney for Stephen G. Donahue
Goering & Goering
220 West Third Street
Cincinnati, Ohio 45202

Glen V. Whitaker, Esq.
Attorney for Stephen G. Donahue
Vorys Sater Seymour & Pease LLP
Suite 2100, Atrium Two
221 E. Fourth Street
Cincinnati, Ohio 45201-0236

Gerald L. Baldwin, Esq.
Attorney for the SIPC Trustee
Frost Brown Todd, LLC
2500 PNC Center
201 E. Fifth Street
Cincinnati, Ohio 45202-4182

Donald J. Rafferty, Esq.
Attorney for Linda A. Donahue
Cohen Todd Kite & Stanford, LLC
250 East Fifth Street, Suite 1200
Cincinnati, Ohio 45202

J. Michael Debbeler, Esq.,
Attorney for The Provident Bank
Graydon Head & Ritchey
1900 Fifth Third Center, 511 Walnut Street
Cincinnati, Ohio 45202

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	:	Civil Action No. C-1-01-116 (Judge Beckwith)
Plaintiff	:	
v.	:	MEMORANDUM IN
STEPHEN G. DONAHUE and DONAHUE SECURITIES, INC.,	:	SUPPORT OF SEVENTH MOTION TO APPROVE PAYMENT OF FEES AND REIMBURSEMENT OF <u>EXPENSES TO RECEIVER</u>
Defendants	:	
	:	

Michael R. Barrett (the “Receiver”) was appointed receiver for S.G. Donahue & Company, Inc. (“SGD & Co.”) and Stephen G. Donahue pursuant to order entered March 7, 2001 in this action (the “Receivership Order”).

The Receiver has incurred fees in the amount of \$4,840.00 and expenses in the amount of \$18.50 for a total of \$4,858.60.

A standard form invoice for those fees and expenses is attached hereto.

The Receiver respectfully represents said fees and expenses are reasonable and necessary expenses of the receivership and should be approved and promptly paid out of funds collected by the Receiver.

Respectfully submitted,

/s/ Richard Boydston
Richard Boydston (22360)
Attorney for Michael R. Barrett, Receiver
Ulmer & Berne LLP
600 Vine Street, Suite 2800
Cincinnati, OH 45202-2409
(513) 762-6202
(513) 762-6245 (fax)
rboydston@ulmer.com

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Memorandum in Support of Seventh Motion to Approve Payment of Fees and Reimbursement of Expenses to Receiver was served electronically with the Clerk of the Court using the CM/ECF system and, also, by ordinary United States mail, first class postage prepaid, upon each of the persons listed below on December 9, 2003.

/s/ Richard Boydston

Anne C. McKinley, Esq.,
U.S. Securities and Exchange Commission
Midwest Regional Office
175 West Jackson Boulevard, Suite 900
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Robert A. Goering, Esq.
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C. FRANCIS BARRETT

H. PATRICK WEBER

MICHAEL R. BARRETT

M MICHELE FLEMING

JANET L. BELL

THOMAS W. BREIDENSTEIN

KENNETH H. ELING

KARRI K. HAFFNER

STEPHANIE K. BOWMAN

BARRETT & WEBER

A LEGAL PROFESSIONAL ASSOCIATION

500 FOURTH & WALNUT

105 EAST FOURTH STREET

TELEPHONE (513) 721-2120

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December 8, 2003

Michael R. Barrett, Receiver
BARRETT & WEBER
 500 Fourth & Walnut Centre
 105 East Fourth Street
 Cincinnati, Ohio 45202

Client No. 549

Re: Stephen G. Donahue and S.G. Donahue Co., Inc.

6/3/03	CMD	.25	Receipt and review of e-mail correspondence from Rick Boydston re: sentencing of Steve Donahue; Conference with Receiver
6/5/03	MRB	.50	Receipt and review of Motion by Receiver for Order Approving Settlement of Claims between Linda A. Donahue, Provident Bank, Sheri Wesley, SIPC Trustee and the Receiver and Memorandum in Support and Order Granting same along with Agreement by Linda Donahue
6/5/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: Linda Donahue Fact Sheet re: Reduced sale price of Gaines Road Property
6/5/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: Estate documents of Leboria Donahue
6/5/03	MRB	.20	Receipt and review of correspondence to ING North America Insurance Corporation re: commissions due
6/9/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: probable closing on Gaines Road property

6/11/03	CMD	.20	Receipt and review of e-mail correspondence re: lowering sales price on Gaines Road property
6/14/03	CMD	2.00	Begin work on Fee Application and Financial Report for accounting to Court
6/19/03	CBK	2.00	Draft form 1041 to IRS
6/19/03	HPW	1.50	Review and review 2002 Income Tax return for Receivership
6/20/03	HPW	1.25	Review and revise income tax return; Review supporting documentation
6/20/03	CBK	1.00	Finalize tax returns for year 2002
6/24/03	HPW	1.00	Conference with Rick Boydston re: determination of cost basis on Florida condo sold; Discuss additional research needed with Jerry Baldwin's notes
6/24/03	CBK	.50	Intra-Office conference and preparation of detail of Florida condo sale
6/27/03	MRB	.25	Receipt and review of Third Application of James A. Dressman III Co-Trustee for the Liquidation of Donahue Securities and S. G. Donahue & Company, Inc. For Interim Fees and Expenses (Bankruptcy Court)
6/27/03	MRB	.25	Receipt and review of third Application of Deters, Benzinger & LaVelle for Interim Fees and Expenses (Bankruptcy Court)
7/2/03	MRB	.25	Receipt and review of Recommendation of the Securities Investor Protection Corporation in Support of Third Application fo Co-Trustee and Special Counsel for Fees in Bankruptcy Court
7/7/03	HPW	.25	Review basis information re: improvements to Florida condo
7/7/03	CMD	1.50	Work on Report to Court; Balance journals; E-mail correspondence to Rick Boydston re: statements
7/9/03	MRB	.20	Receipt and review of correspondence from Rick Boydston re: Mechanics Lien proposed settlements
7/12/03	CMD	2.50	Complete Fee Application; Complete Finance Report for Court; Letter to Rick Boydston; Conference with Receiver; Conference with Christy Kauffmann re: taxes

7/14/03	CMD	.25	Correspondence to Rick Boydston forwarding information for Receiver's Interim Report
7/16/03	CMD	.50	Receipt and review of e-mail correspondence with Draft Complaint to Recover Stolen Funds; For Actual Damages; for Punitive Damages and for Exemplary Damages against Roger Drayton and his Company; Review of Trustee's Motion for Ex-Parte Temporary Restraining Order Restricting the Transfer of Assets by Drayton; Review of Affidavit of Douglas Lutz and Affidavit of Terry D. Browne and Review of Agreed Order Granting the Trustee's Motion for an Injunction to Prevent the Transfer of Assets by Drayton in Adversary Proceeding in Bankruptcy Court; Conference with Receiver
7/25/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: listing contract for Gaines Road property (2)
7/28/03	HPW	.50	Conference with Rick Boydston re: retention of accountant to prepare tax returns; Confer with Jerry Baldwin re: his retention of George Felsa CPA for preparation of income tax returns and information required.
7/28/03	MRB	.50	Receipt and review of Receiver's Sixth Interim Report and Motion to approve same and Motions to Approve Payment of Fees and Expenses to Receiver and Ulmer & Berne
7/28/03	MRB	.40	Receipt and review of Memorandum in Support of Sixth Motion to Approve Payment of Fees and Reimbursement to Ulmer & Berne and Receiver and Proposed Orders Granting same
7/30/03	HPW	.75	Conference with George Fels, CPA re: his desire to review tax returns filed by Receivcrship; Meeting with George Fels and Terry Brown of Donahue Securities Liquidation to review 2001 and 2002 income tax returns sources of income; Conference re: back up documentation required
7/31/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: listing on Gaines Road property
8/4/03	MRB	.25	Receipt and review of Order Granting Sixth Motion to Approve Payment of Fees and Expenses to Receiver and Ulmer & Berne and Order Approving Receiver's Motion to Approve Sixth Interim Report

8/13/03	MRB	.25	Receipt and review of Joint Motion of Trustee and Securities Investor Protection Corporation for Order Upholding Trustee's Determination Denying Late filed Claim of John Coletta
8/24/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: surrender charge issue
8/26/03	CMD	.40	Receipt and review of e-mail correspondence from Rick Boydston to SEC; Review of Motion of Douglas Lutz for an Order Directing Receiver to Distribute Assets; Conference with Receiver; Review of e-mail from Rick Boydston re: mortgage balance
8/27/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: deposition of Steve Donahue in the Clermont County mechanics lien case
8/29/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: sale of real estate at 6006 Gaines Road
9/11/03	HPW	.25	Review notice from IRS asserting late payment penalty; Conference re: response letter from IRS requesting removal of penalty
9/11/03	CBK	.75	Review IRS correspondence; Review Commission Log prepared by Chris Dougherty
9/15/03	CBK	.25	Prepare and revise letter to IRS
9/15/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC re: listing relator
9/17/03	CMD	.20	Receipt and review of correspondence from US Department of Justice re: Steve Donahue's incarceration
9/22/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC re: SIPC's judgment for \$7M against Steve Donahue
9/24/03	MRB	.20	Receipt and review of Notice of Filing in Bankruptcy Court and Notice of Hearing
10/2/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC re: Deposition of Roger Drayton
10/7/03	CMD	.20	Receipt and review of e-mail correspondence, with attachments, from Rick Boydson re: Joint Status Report

10/7/03	CMD	.50	Receipt and review of e-mail correspondence with Complaint to Recover Stolen Funds; For Actual Damages; for Punitive Damages and for Exemplary Damages against Roger Drayton and his Company; Review of Trustee's Motion for Ex-Parte Temporary Restraining Order Restricting the Transfer of Assets by Drayton; Review of Affidavit of Douglas Lutz and Affidavit of Terry D. Browne and Review of Agreed Order Granting the Trustee's Motion for an Injunction to Prevent the Transfer of Assets by Drayton in Adversary Proceeding in Bankruptcy Court; Conference with Receiver
10/23/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston; Review draft of Closing Statement on 6006 Gaines Road
10/27/03	CMD	.20	Receipt and review of e-mail correspondence, with attachments, from Rick Boydston re: Mortgage Assignment
11/6/03	MRB	.50	Receipt and review of fourth Application of Deters, Benzinger & LaVelle for Interim Fees and expenses and Fourth Application of James A. Dressman III, Co- Trustee for the Liquidation of Donahue Securities and S.G. Donahue & Company, Inc. For Interim Fees
11/08/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC
11/10/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC
11/10/03	MRB	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC (2)
11/12/03	MRB	.25	Receipt and review of Recommendation of the Securities Investor Protection Corporation in Support of Fourth Application of the Co-Trustee and Special Counsel for Interim Fees and Expenses (Bankruptcy Court)
11/12/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston
11/13/03	CMD	.20	Receipt and review of e-mail correspondence from Lisa Horrigan (SIPC Trustee) re: fees
11/14/03	MRB	.25	Receipt and review of First Interim Application by Ulmer & Berne for Payment of Fees as Special Counsel for Liquidation of 401(K) Plan and Proposed Order

11/14/03	MRB	.20	Receipt and review of Notice of Filing from Rick Boydston
11/17/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston re: fee applications
11/18/03	MRB	.25	Receipt and review of Trustee's Eighth Interim Report filed in Bankruptcy Court
11/20/03	CMD	.20	Receipt and review of e-mail correspondence from Rick Boydston to SEC
11/20/03	CMD	1.00	Begin work on Reports for Court; Conference with Huntington Bank re: missing statements; Reconcile bank accounts
11/21/03	CMD	6.00	Work on Report for Court; Review and record deposits for last several months; Update all financial records; Intra-office conference re: tax liability; Draft projection of assets and income for 2003 tax liability
11/21/03	CBK	.25	Review penalty on late-filing; Intra-office conference
11/21/03	HPW	1.25	Conference re: distribution of assets and reservation of funds to pay income taxes; Discuss need to prepare draft of proposed 2003 income tax returns; Research cost basis of Clermont County Property sale
11/24/03	CBK	.25	Correspondence to IRS re: penalty
11/24/03	HPW	.75	Review and revise letter to IRS requesting abatement of penalty for failure to pay income tax timely on 2002 return; Review projected 2003 income tax calculations; Discuss funds to be escrowed from distribution for tax payments with Chris Dougherty
11/24/03	CBK	1.00	Preparation of draft of 2003 tax return; Calculate estimated taxes; Prepare tax vouchers for IRS and State of Ohio; Memo to Chris Dougherty; Conference with Pat Weber and Chris Dougherty re: payment of vouchers for projected 2003 income
11/25/03	CMD	.50	Conference with Huntington Bank re: missing statements and missing cancelled checks; Telephone conferences (3) with Huntington Bank

11/25/03	MRB	.50	Receipt and review of Eight Application of Douglas L. Lutz, Trustee for the Liquidation of Donahue Securities Inc. And S.G. Donahue & Company, Inc. For Interim Fees and Expenses (Bankruptcy Court) and Application of Frost Brown Todd for Eight Interim Fees and Expenses (Bankruptcy Court)
11/26/03	MRB	.20	Receipt and review of Notice of Filing; Hearing Date in Bankruptcy Court
12/1/03	MRB	.50	Receipt and review of Joint Motion of Trustee and SIPC for Order Upholding Trustee's Determination of Claim of Wynona Maxienne Gray
12/2/03	CMD	.20	Receipt and review of e-mail correspondence and Liquidation Summary to SEC
12/3/03	MRB	.25	Receipt and review of Recommendation of the Securities Investor Protection Corporation In Support of Eight Application of the Trustee and Counsel for Interim Compensation in Bankruptcy Court
12/5/03	MRB	.25	Receipt and review of correspondence and form for Unclaim Funds from State of Ohio
12/5/03	MRB	.25	Receipt and review of application of Trustee to Retain Holland & Knight as Special Counsel under 11 USC § 327(e) <i>Nunc Pro Tunc</i>
12/4/03	MRB	.25	Receipt and review of Motion of Douglas Lutz Trustee for Approval of Proposed Sale of Surplus Office Equipment in Bankruptcy Court and Memorandum in Support

Total Hours	40.60
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7.10 hours	Michael R. Barrett @ \$200.00 per hour	\$ 1,420.00
7.50 hours	H. Patrick Weber @ \$200.00 per hour	1,500.00
6.00 hours	Christine B. Kauffmann @ \$120.00 per hour	720.00
20.00 hours	Christina M. Dougherty @ \$60.00 per hour	<u>1,200.00</u>
		\$ 4,840.00

OUT-OF-POCKET EXPENSES:

Duplication Fees	\$ 13.00	
Postage	.60	
Delivery Charges	<u>5.00</u>	
		<u>18.50</u>

TOTAL DUE	\$ 4,858.60
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